



## Short-Term Funding Stifles Economic Development in Indian Country

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### Indian Country Economic Development Needs a Long-Term Commitment

The Indian Country Economic Development (ICED) program has made a significant contribution since its inception in 2005. This investment continues to receive a return by allowing for the creation and retention of local jobs and the establishment and growth of businesses - allowing dollars to stay in rural economies and multiply.<sup>1</sup>

Currently, the ICED program funding must be reapproved by the Legislature every two years, making it difficult for funding recipients from Indian Country to formulate long-term economic development strategies and projects. The ICED program funding should be funded as an on-going program in Montana's base budget.

### State Investment Helps Business in Indian Country

Since 2006, the ICED program has made a robust impact toward improving the economic conditions in reservation communities. This program supports a hands-on approach to economic development by funding workforce development, start-up and expansion efforts, entrepreneurial training, and technical assistance. With these dollars, entrepreneurs in Indian Country have been able to increase the amount of additional economic development funds, such as business loans and grants.

In total, the ICED program impact over the past eight years (2006-2014) has been substantial.<sup>2</sup>

- Brought in an additional **\$28.4 million** in leveraged dollars.
- Created, trained, or retained **731** jobs.
- Provided workforce development training to **533** people.
- The Indian Equity Fund provided seed-grants to **123** small business entrepreneurs.
- **1,348** people received small business start-up training and technical assistance.

### One-Time-Only Funding of ICED Stifles Impact

The ICED program funding needs to be moved from a one-time-only appropriation into the base budget for the following reasons:

- Base budget funding will provide the continuity of support needed to conduct sustainable economic development. Economic development works best when nourished over time.
- The funding has been a prime target for cuts at each legislative session since 2007, requiring significant time and resources to discuss continued funding of this program.
- 2-year funding time spans equate to short-term economic development projects. Moving ICED to base funding will lead to bigger outcomes over time by allowing Indian Country to plan for long-term economic projects.

<sup>1</sup> Cornell, S., Jorgensen, M., Wilson Record, I., Timeche, J. (2007). "Citizen Entrepreneurship: An Underutilized Development Resource." In *Rebuilding*

<sup>2</sup> Montana Department of Commerce, Performance Report to Legislative Services (2014).